

STATE OF CALIFORNIA

LIBRARY SERVICES AND TECHNOLOGY ACT (LSTA)

INFORMATION GUIDE

FOR USE WITH FISCAL YEAR 2000/2001 APPLICATIONS

CALIFORNIA STATE LIBRARY
SACRAMENTO, 1999

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GENERAL INFORMATION

1. **Introduction.** The Library Services and Technology Act (LSTA), a part of the Museum and Library Services Act of 1996 (Public Law 104-208; 20 USC 961 et seq.) was enacted October 1, 1996, to replace the Library Services and Construction Act (LSCA), which expired September 30, 1996. The LSTA consolidated several federal library services programs. LSTA is administered at the federal level by an independent Institute of Museum and Library Services and at the state level by the California State Library; the program derives from a federal appropriation but is intended for assistance to local libraries. The bulk of the funds are allocated to state library agencies to develop local library services and statewide library services, stimulate and promote resource sharing, encourage technological innovation, enhance electronic networking and linkages among libraries of all types, and improve services to the underserved or those persons whose needs are not met by traditional library service.

The instructions in this Guide conform closely, where possible, to the previous LSCA guidelines, in order to ease the transition between the two programs. Suggestions for clarification of these guidelines are invited from applicants and other interested parties.

2. **Administration.** The Act is administered in this state by the California State Librarian. These guidelines cover the activities and procedures that the State Library will employ to administer the Act each year using the grant funds. Awards of funds are made by the State Librarian to project applications submitted in open competition on an annual schedule. Citizen input and advice on the state program are provided by the California State Advisory Council on Libraries and other interested persons.

3. **Eligibility.** Any activity funded through the state-based program may involve academic, public, research, school, governmental agency libraries and information centers, and special and corporate libraries. "Public libraries" includes public library cooperative systems and State institutional libraries.

4. **Procedure.** The State Library conducts an annual cycle of grant processing. An announcement of the availability of LSTA funds is issued in the summer of the year preceding the start of the grant period. Interested applicants must contact the State Library and are sent instructions and application materials. The cycle involves two steps: a project proposal expressing a concept, followed by a fully-developed grant application. Applicants should develop their project ideas and file a brief proposal (LSTA Form 5) due January 14, 2000. Consulting assistance is available from the State Library. Often projects prepared with such assistance are more competitive. Even prior to developing a proposal, contact with a consultant of the State Library can provide valuable program and technical assistance and is encouraged. Following review by the State Librarian in consultation with the California State Advisory Council on Libraries, acknowledgment of the proposal will be made in April 2000, together with advice on the competitiveness of the proposed project.

A consultant from the State Library will be formally assigned to advise each applicant in developing the project at this time. An application may be submitted only if a proposal has previously been submitted in the same LSTA annual cycle. Applications are normally expected

from jurisdictions that receive encouragement on the competitiveness of their proposals. However, an application may be submitted and will be considered for a proposal that was not recommended for completion. Again, at this stage of project development, contact with a consultant of the State Library can provide valuable program and technical assistance and is encouraged.

Completed applications (LSTA Form 6) are to be filed on June 2, 2000, and awards for successful projects will be announced in late summer. Project approval letters will be issued in September 2000, contingent upon passage of the State budget on July 1, 2000.

The State Librarian's grant approval letter is the official approval and is an amendment to the grant application. The State Librarian may require or authorize changes in the project as outlined in the application. If the award is accepted, conditions in the State Librarian's letter are binding and must be followed in the implementation and conduct of the project. The award letter provides the approved budget, which must be the basis for all financial expenditure reports. LSTA cannot pay for expenses incurred before the signing of an award letter.

5. **Duration.** Normally an LSTA project runs from October to the following September, but it may begin with the date of grant award. All project funds must be expended by the following September 30, or returned.

6. **Planning.** Planning for services that meet local needs, including local needs assessment, is the responsibility of local libraries and institutions and should be an integral part of the regular management process. Such planning must be conducted in advance of application for federal funds, including a needs assessment. Some local jurisdictions may require that the project, subject to funding, be included in the local budget process. A project that includes an advisory board or steering committee should normally create this body and involve them in preparation of the application materials before the proposal is filed.

A proposed project must address one or more of the state-based purposes of the LSTA, spelled out in the five-year State Plan for Use of LSTA. See the Guidelines for Developing LSTA Grant Proposals for further information on criteria for evaluating LSTA projects, included in the application packet.

7. **Financial.** Separate accounting must be maintained for each federal project to ensure responsible project management and the ability to submit timely and accurate financial reports. Consolidated grant award documents are addressed to the head of the agency responsible for the project. Warrants must be made out to the same agency. Recipients which have a fiscal agent will be responsible for seeing that the documents and funds are properly deposited with the fiscal agent. A project is considered complete when a final narrative summary report and a final financial expenditure statement are accepted by the State Library. Financial records for LSTA projects must be retained by the project applicant for a period of five years from the date of the project's completion.

Ten percent (10%) of the **total grant award** is normally withheld pending project completion and submission of required reports, along with return of unexpended funds. The 10% amount is payable only if the grant recipient fulfills all project reporting requirements and returns all unspent grant funds by the time specified in the LSTA Reporting Materials packet (sent with the grant award letter). Failure to provide timely reports is a serious breach of a grant recipient's administrative duty under the grant program, which may result in federal audit exceptions against the state and the loss of LSTA

funds. The State Librarian may extend the final deadline for good cause. The deadline for return of unexpended funds to the State Library is November 15, 2001. Requests for extension beyond that date must be received in writing at least 30 days in advance at the State Librarian's office.

8. **Indirect cost.** Indirect cost to support administration required by the fiscal agent or jurisdiction for handling funds and operating the project, up to a maximum of 10% of the program award, may be requested by a jurisdiction that has an approved cost allocation plan on file with the Secretary of State and available to the State Library. Applicants unfamiliar with this procedure should consult the State Library's LSTA Coordinator.

9. **Grant award/certification.** The grant award/certification accompanies the award letter to successful applicants. The State Librarian's award letter is the official notice of approval and is an attachment to the grant award/certification.

A financial claim form accompanies the letter and grant/award certification. The applicant's signature on and return of the claim form for payment constitutes acceptance of the award and all conditions stipulated for conduct of the project. Funds are normally paid upon receipt of claim forms and required reporting. Payment usually is made in three parts: 1) 45% upon first claim in the fall, 2) 45% in the second quarter, and 3) 10% after receipt and acceptance of all required project reports. The first payment is made upon receipt of the first claim form. A second claim form is sent following receipt and acceptance of the project's first quarterly report. The second payment of 45% is sent upon receipt of the second claim form. If the grant recipient has fulfilled all project reporting requirements and returned all unspent grant funds by the time specified in the grant program instructions, the third and final financial claim for the remaining 10% is issued when all reporting and any unspent funds have been received by the State Library.

10. **Justification of expenditure.** All budgeted expenditures must be justified by the description or program or service in the project application. Generally, purchase of library materials is not considered a first priority for LSTA funds. Purchase of standard office furniture, supplies, and equipment such as desks, shelving and office machines also ranks low in priority. While LSTA can assist with specialized staff, additional operating expenses, and hard-to-obtain equipment to demonstrate a service, the local jurisdiction should be able to provide standard materials and equipment.

LSTA allows for paying of certain costs for libraries to acquire or share computer systems and telecommunications technologies. Projects requesting such funding must reflect the intention of making local resources available for sharing, for establishing consortia or similar cooperative mechanisms, or for promoting library services that employ electronic networking. Matching contributions (non-grant funds or in-kind or both) are encouraged. However, projects that are more of an ongoing or operational local responsibility, and requests to acquire basic library automation systems, are ordinarily given a lower priority.

11. **Local and in-kind contributions.** Local support by project participants is desirable and may take the form of financial contributions, in-kind services, or both. Statements of in-kind contribution must be realistic and appropriate to the project. No more than five percent (5%) of the time of a CLSA library system's paid coordinator/director may be credited as an in-kind contribution to the project without explanation of what funds will be used to replace that greater portion of his or her time lost to system administration.

12. **Merit and cost of living increases.** Merit increases for project staff members should be anticipated and budgeted for in the project proposal. Cost of living adjustments are not automatically awarded projects that retain the same staff beyond an initial grant period.

13. **Adjustment provision.** The grant award/certification includes a provision which allows recipients to respond to local or unforeseen developments by increasing approved budget categories by an amount of up to ten percent (10%) of the category into which funds are proposed to be shifted, during the period of the award, as long as other categories are decreased by a corresponding total amount. Funds may not be moved into any category for which no funding was approved. The latter adjustments must be made only after consultation with and approval by the assigned State Library project consultant. Any budget change not specifically allowed under this provision may only be made after receiving prior written permission from the State Librarian. A request for modification is made on the grant award modification form (LSTA Form 4), available from the State Library and included in the reporting package.

14. **Carryover and continuation.** Carryover of LSTA funds unobligated at project end is not permitted. Requests to use unexpended or unobligated LSTA funds beyond the approved time period of the project cannot be considered.

A project operating successfully and judged to require two or more years of funding to complete a specific program may request continuation or modified extension of its funding, whether or not it had initially indicated it was to be a multi-year project. Such requests are made on current LSTA application forms and according to current filing deadlines and award cycles, in the same manner as a new project proposal. They must stand in competition with all other applications for that year and do not receive priority or favor by virtue of continuation.

15. **Reporting and statistics.** Assessing the progress of the project, at least quarterly, assists in its management. Quarterly reporting to the State Library is required of all projects, unless altered by the State Librarian in the grant award letter. Forms are provided to approved projects for a quarterly project progress report in two parts: narrative (LSTA Form 7) and financial (LSTA Form 8). These are to be submitted thirty (30) days after the close of the quarter for all four quarters of the project. A final narrative report (LSTA Form 9) covering the entire grant year's work is submitted following the project's close as an overall evaluation; it also serves as the narrative report for the fourth quarter (i.e. no 4th quarter narrative is required). Approval of financial claims will depend upon timely submission of required reports.

The project application should include provision for keeping statistics on all significant measures of project activity and success. These statistical reports should be incorporated in, or submitted as attachments to, the required quarterly reports. Statistical measures used in quarterly reports should match those proposed in the application, and should be keyed to stated objectives of the project.

16. **Equipment inventories.** A record of equipment costing over \$5,000 (i.e. \$5,001 and up) purchased with LSTA funds must be maintained in an inventory file. Equipment inventory files must be maintained at the project level and duplicate copies sent to the State Library. In general, equipment purchased with federal funds must be used for project purposes for five years, or life of the equipment,

whichever comes first, unless otherwise stipulated. Disposition of equipment is subject to review by the State Library.

17. **Personal memberships and travel.** Use of LSTA funds for personal membership in organizations is not permitted. Use of LSTA funds for out-of-state travel is not permitted, except for routine neighboring state meetings needed to carry out approved project programs.

18. **Requirements for documents.** Federal and state regulations require submission of documents, some with original signatures, in prescribed quantities. Failure to provide the items or copies called for by the required deadlines can invalidate an application. Names of participants in the project must be submitted, including non-library agencies. Signatures will be considered to signify agreement on such matters as responsibility for decisions made regarding the project and authority to carry them out, as well as the disposition of assets, materials, and equipment at the conclusion of the project.

19. **Copyright and royalties.** Original materials produced by a project may be copyrighted by the project or its assignees, and a project may collect and retain fees or royalties from sale of such materials. Any profits or royalties generated beyond cost-recovery must be used for the original purpose of the grant project. However, the federal government and the State of California reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use the material for their own purposes. The State Library may require a camera-ready or duplication-ready master for this purpose.

Any project involving the development of publications or other original materials must include a plan for their production, distribution, and dissemination as part of the grant application; this plan may be approved as submitted or it may be altered as part of the grant award process.

The project must convey three (3) copies of any materials produced, unless exempted, free of charge to the State Library, by the date of filing the final narrative report.

Publications and information releases about the project must credit the Library Services and Technology Act (LSTA). An appropriate statement for a publication is:

"This publication was supported in whole or in part by the U.S. Institute of Museum and Library Services under the provisions of the Library Services and Technology Act, administered in California by the State Librarian."

As appropriate, this disclaimer should be added:

"However, the opinions expressed herein do not necessarily reflect the position or policy of the U.S. Institute of Museum and Library Services or the California State Library, and no official endorsement by the U.S. Institute of Museum and Library Services or the California State Library should be inferred."

This credit line on project publicity is important to all concerned in fostering support from the public and state and federal sources.

20. **Interlibrary loan.** Requests for LSTA support of interlibrary loan activities are not competitive, as these activities are included in on-going state support under the Library of California Act.

21. **Library cooperation.** Library cooperation projects are assessed primarily by the service benefit to library users and by the demonstrated equitable effort and commitment by all partners. No support for library service may be decreased by the cooperating agencies in the event of an LSTA project award.

22. **Bibliographic access.** Most library materials acquired, collected, or produced through an LSTA grant would be considered of potential interest to people throughout California, either because of uniqueness of the item or to offer access at additional locations. To ensure wide access, these materials should be given machine readable cataloging according to national standards and a complete MARC formatted record should be produced for each title so acquired. The records must be made available in one or more of the statewide or national bibliographic databases widely used by California libraries.

23. **CLSA Statewide Data Base contribution.** All catalog records representing public libraries' resources resulting from LSTA projects must be submitted to the CLSA Data Base by methods enabled under the prevailing guidelines at the time of the grant. If an applicant is not a CLSA participant or access to a cataloging network is unavailable, the State Library should be consulted for assistance in developing an alternative means of collecting the records to meet this requirement.

24. **Deposit at State Library.** In certain projects, grant applicants assemble new collections, preserve materials, prepare publications, or develop innovative bibliographic tools. The State Library will, at its option, request that one copy or set be deposited in the State Library's collections to enable statewide public access. (For example, a project might create different products placed in separate locations but the full result is not accessible in a central facility open to the public.) An applicant planning to develop this type of project should discuss the State Library's acquisitions policy and the requirement for submission to the State Library with the assigned State Library consultant during the application stage.

25. **Retrospective conversion.** Retrospective conversion of bibliographic records must show a statewide benefit and commitment to making records available for statewide use. Such projects will receive neither total funding support nor long-term maintenance under LSTA. The competitiveness of individual projects will be enhanced or diminished by the amount of matching funds/in-kind contributions identified in the proposal and application.

26. **Project close.** All federally funded activity must cease on September 30 of the grant award year and no new expenditures can be generated. All funds neither expended nor encumbered by September 30 must be returned by November 15, 2001. For funds encumbered but not liquidated by September 30, projects are allowed a liquidation period of 60 days (to November 30), unless otherwise specified in the award letter. All encumbrances are subject to review by the State Library. Project directors should consult with their primary consultants prior to making year end encumbrances. After the 60 day period all encumbered funds which have not been liquidated must be returned to the State Library. The final liquidation report, together with any funds not liquidated must be returned to the State Library by December 15, 2001. Instructions and a timetable for the close of projects are

contained in the financial reporting instructions mailed to successful applicants.

27. **Audits.** Recipients of awards must be in compliance with Public Law 98-502, "The Single Audit Act of 1984". When audits are performed in accordance with the instructions contained in the Act for funds provided under the LSTA, a copy must be forwarded to the State Library.

28. **Special policies for State of California institutions.** In addition to the requirements for all applicants, state institutions must notify the appropriate office of their department in Sacramento of their intent to apply for federal funds under LSTA. Such notification must be in writing and include the name of the applicant, a summary of the project purpose, the name of the federal funding program (LSTA) and the estimated amount of funds sought. A copy of this notice must be sent with the application to the State Library.

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